

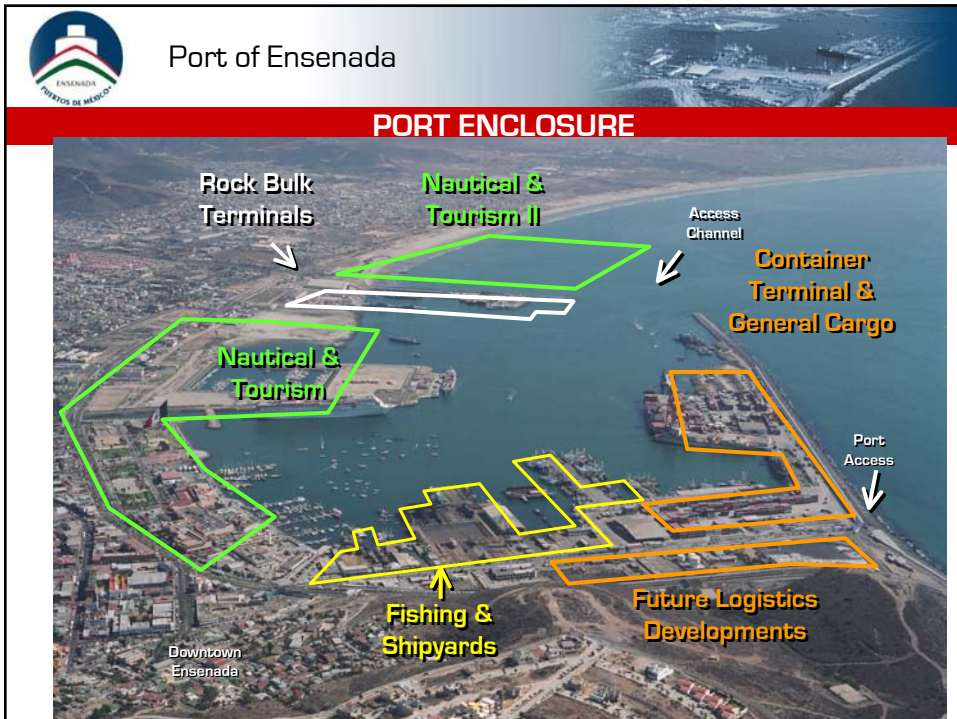


Port Expansion in Baja California

Faster Freight-Cleaner Air

@Long Beach, Ca., Feb. 1st., 2006

ADMINISTRACION PORTUARIA INTEGRAL DE ENSENADA, S.A. DE C.V.





Port of Ensenada

HINTERLAND INFRASTRUCTURE

SIMBOLOGY



Airport



SeaPort



Road



Railroad



Border

Pacific Ocean



Port of Ensenada

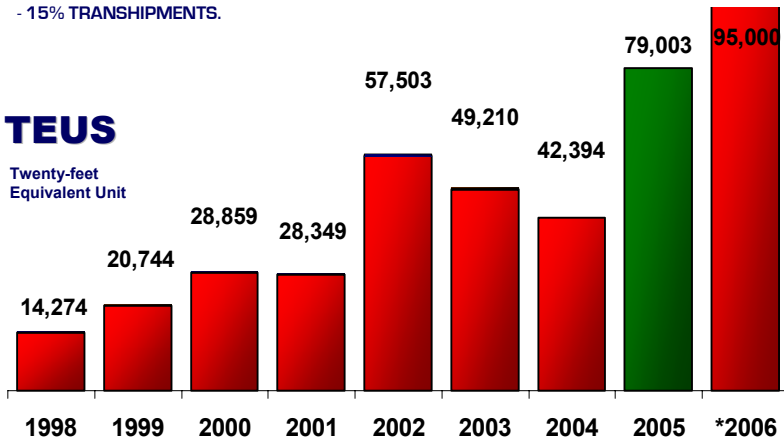
CONTAINER TROUGHPOUT

2004 CONTAINER COMPOSITION:

- 44% WERE IMPORTS FOR THE *MAQUILA SECTOR*.
- 41% WERE FINISHED PRODUCTS, ASSEMBLIES & PERISHABLES FOR EXPORTS.
- 15% TRANSHIPMENTS.

TEUS

Twenty-foot Equivalent Unit



* Projected



Port of Ensenada

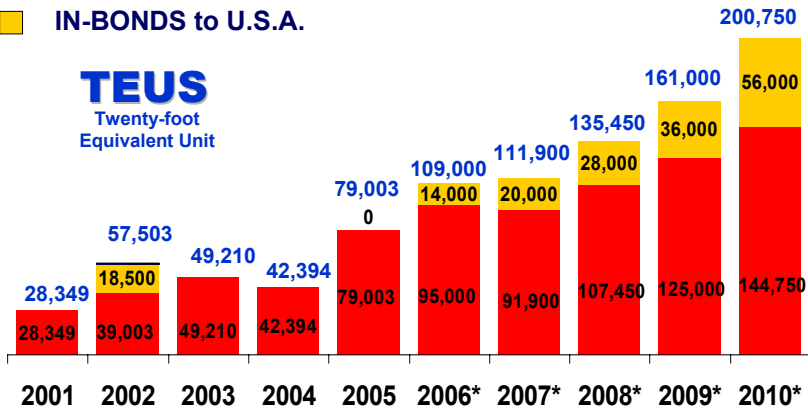


TEU'S PROJECTIONS

TEUS

IN-BONDS to U.S.A.

TEUS
Twenty-foot
Equivalent Unit



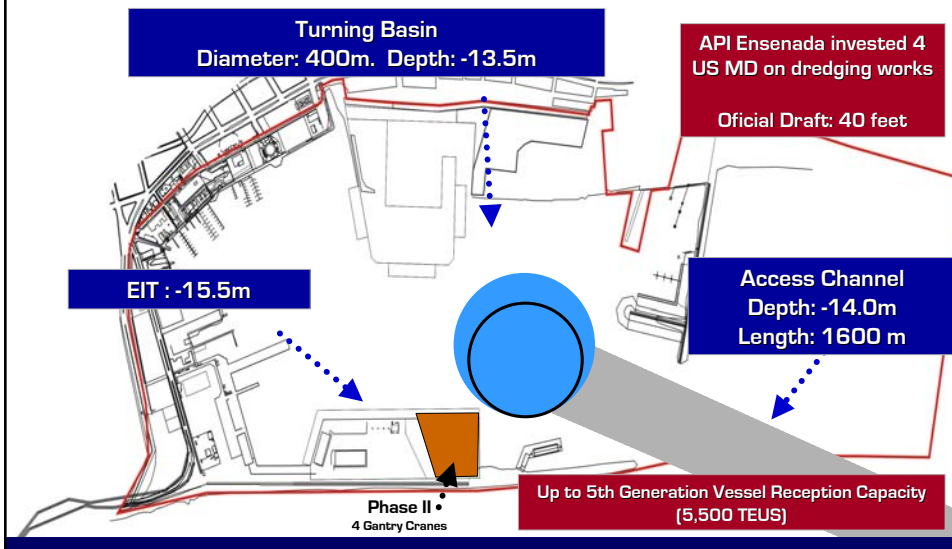
* Projected



Port of Ensenada



NAVIGATION AREAS INFRASTRUCTURE





Port of Ensenada

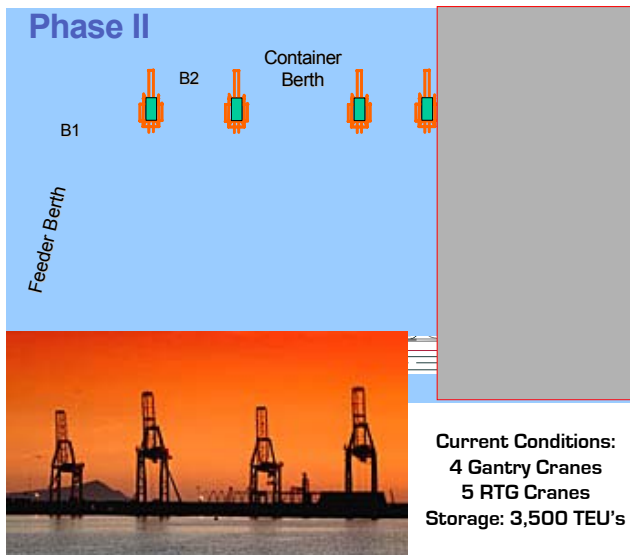
CONTAINER TERMINAL IN EXPANSION

Ensenada International Terminal has begun its II phase expansion installing additional equipment with a major stack capacity increasing storage and productivity in yard.

Current shipping lines @ Port of Ensenada:

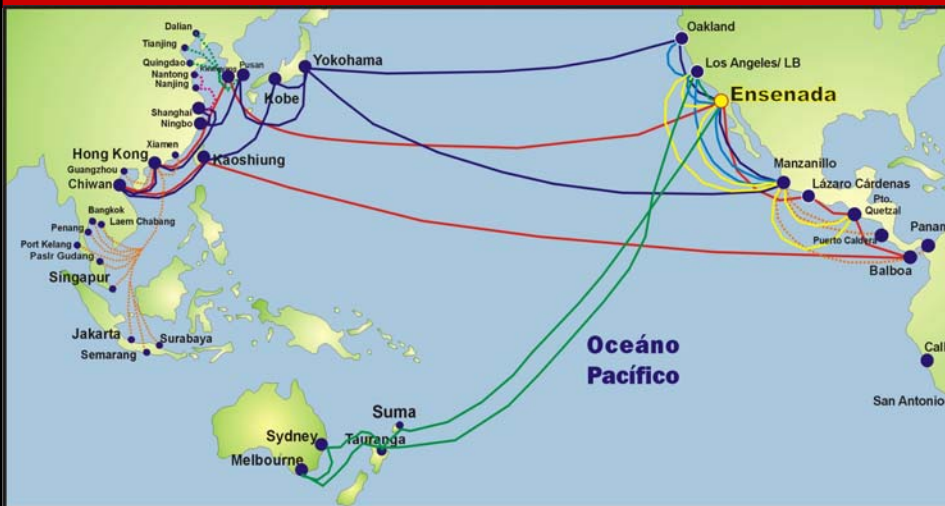
- CP Ships
- Maersk Sealand
- CSAV/MARUBA
- HANJIN

Planned land filing to extend terminal pátios to be on optimal operational conditions.

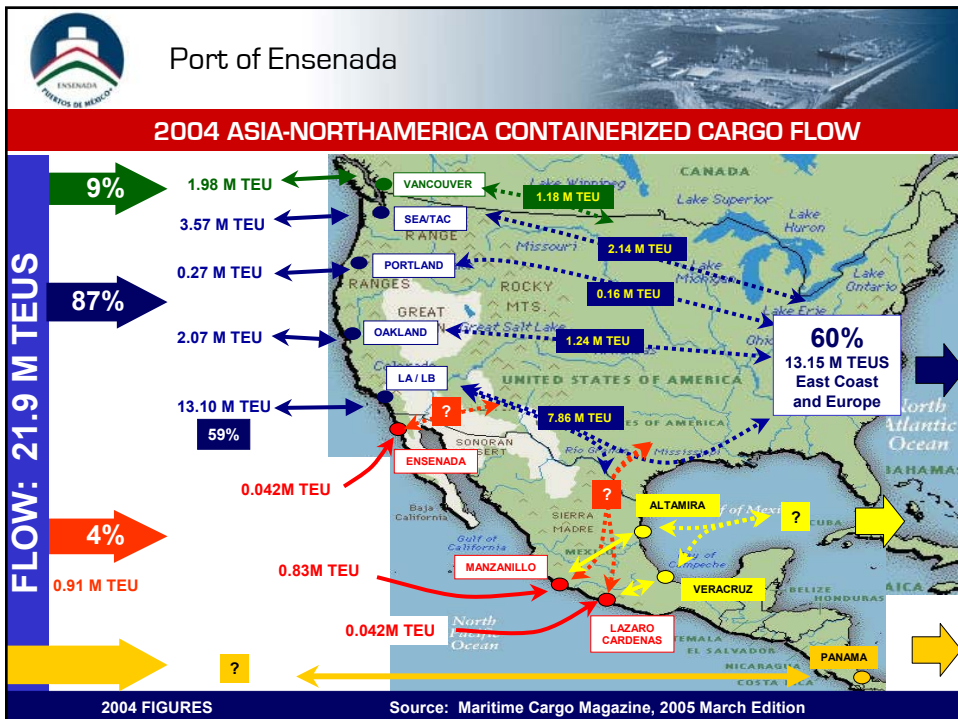


Port of Ensenada

2005 MARITIME ROUTES



WHY A NEW PORT IN BAJA CALIFORNIA?





Port of Ensenada



WHY A NEW PORT IN BAJA CALIFORNIA



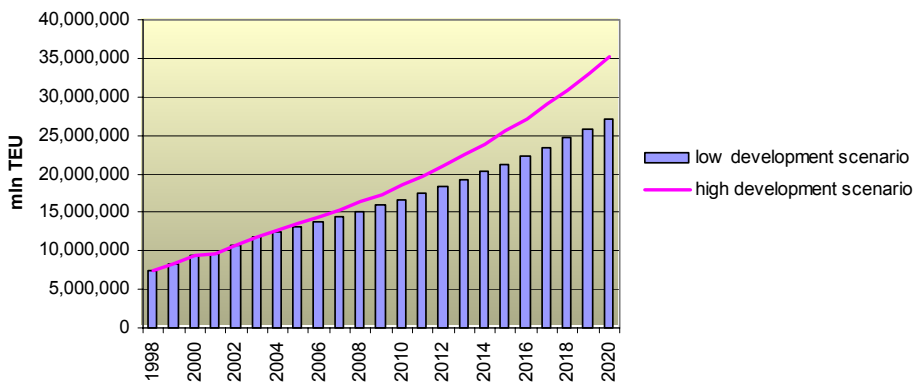
- Recent research studies point out the existent volume of containerized cargo from Transpacific Trade for a new port in Baja California, since LA/LB are near congestion limits (2020).
- Low projection: 27 Million TEU's, high: 35 Million TEU's by 2020 in LA/LB.
- In the mid/long term, El Sauzal and Punta Colonet may become an alternative to attract container overflow from Asia to U.S.A. on a multimodal basis. Between 3 to 7 million TEUS in the next 15 years.
- El Sauzal expansion could be a limited alternative for the mid term because is proximity to populated areas in Ensenada.
- Global carriers/terminal operators had shown interest to participate in the evolution of this project.
- SCT stated that the new port enclosure in Punta Colonet will be under Federal jurisdiction and that private terminals operation will be open and fare.



Port of Ensenada



CONTAINER PROJECTIONS FOR LA/LB

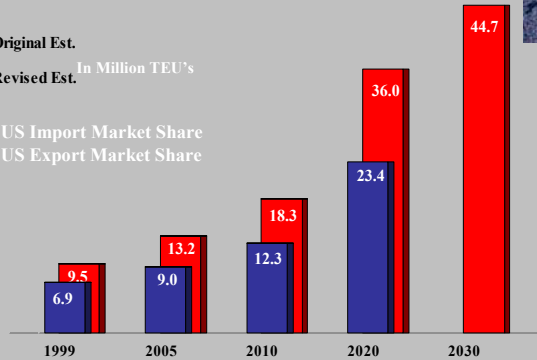




San Pedro Bay Projected Container Growth



■ Original Est.
 ■ Revised Est.
 In Million TEU's
 44% US Import Market Share
 25% US Export Market Share



Source: POLA, POLB



PUNTA COLONET



- Punta Colonet is 130 km south of Ensenada; currently is a rural population, connected by Federal Hwy no. 1.
- A 310 km rail line from P.C. to Mexicali will be required to connect the new port with the border crossing.
- The port will be built on rip-rap landfill in aprox. 3,000 hectares of sea water and tidelands.
- The site has a natural "wall" of aprox. 3.5 km of cliff (300m. high) NW faced, to protect from strong winds and waves.
- A preliminary approach estimates that a minumun of 3-4 public container terminals can be built in the site, with 4 berths each.
- An estimated \$ 4 Billion of investment will be required for port infrastructure: breakwater, terminals and equipment.



PUNTA COLONET

Punta Colonet

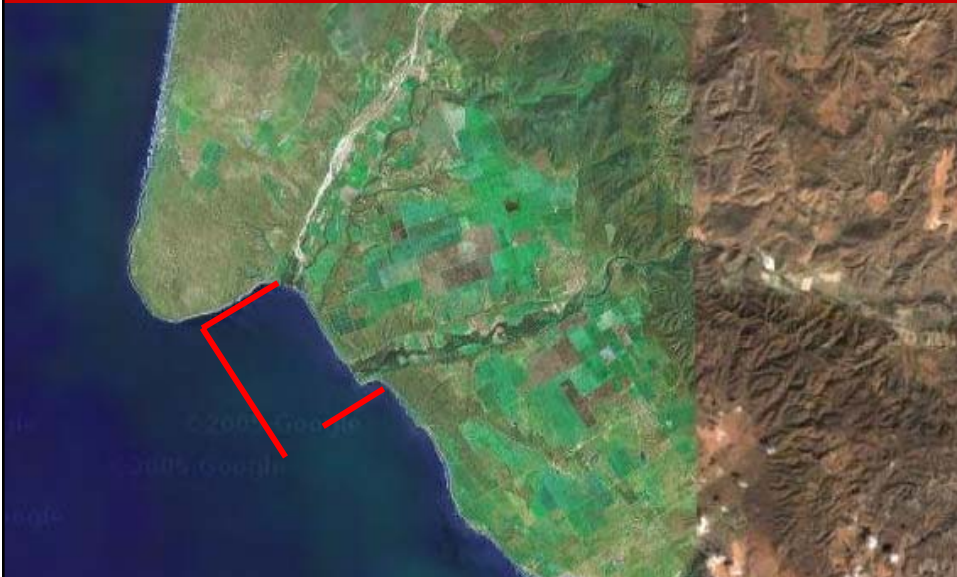
- P.C. is under the jurisdiction of the Ensenada Municipality.
- Paralel port activities may develop once the infrastructure is built, v.g. mining bulk minerals: iron, titanium, quartz, etc.
- Another future LNG terminal may be built near the site.

Oceano Pacifico

--- PROJECTED RAIL LINE



THE SITE





NEXT STEPS



1. Obtain final approval of Mexican Customs (SAT) to expedite the In-Bond authorization to handle containers through the Port of Ensenada.
2. In coordination with the B.C. State Government, SCT will conclude the PRORED document in order to clarify and promote the development of the ports and coastline in Baja California.
3. In Dec. 2005, the Master Development Program for the Port of Ensenada was completed order to envision the future cargo handling in the region.
4. Define the boundaries of the new port enclosure in P.C. In Feb. 2006 SCT's General Director of Ports will submit the plans to SEMARNAT to approve it.
5. In the first quarter of 2006, to award the concession to Ensenada API of the port of El Sauzal and Punta Colonet.
6. In April, 2006, will publicaly announce an invitation to interested parties to participate in public biddings to award contracts to build the port and/or to operate container terminals.
7. With shown interest of potential investors/operators, to prepare the bidding documents and create the convenient port administration, considering to foster free competition and participation.



SPECIFIC STUDIES REQUIRED

- ✓ Aerial photogrammetry and bathimetry.
- ✓ Technical and economic feasibility.
- ✓ Market demand study



THANK YOU

**ADMINISTRACIÓN PORTUARIA INTEGRAL
DE ENSENADA, S.A. DE C.V.**

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